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# U.S. Envoy to the Vatican Quits; Reprimanded on Libyan Dealings

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WASHINGTON, May 20 — The United States Ambassador to the Vatican, whose unauthorized dealings with Libya had caused concern within the Administration, has resigned, the State Department announced today.

The department gave no explanation and few details about the resignation of the envoy, William A. Wilson, other than that the California businessman, one of Mr. Reagan's closest and most trusted friends, wanted to return to private life.

The department spokesman, Charles E. Redman, also said Mr. Reagan had expressed his "deep appreciation to Ambassador Wilson for his productive work during the course of which full diplomatic relations were established between the United States and the Holy See." Mr. Redman did not say if a successor had been chosen.

But Administration officials who declined to be identified said that for some time senior White House and

State Department officials had voiced concerns to the President and others about Mr. Wilson's conduct and had sought his resignation.

In Rome, a spokesman for the Ambassador said that Mr. Wilson would have no comment this evening and that he would hold a news conference Wednesday. Mr. Wilson, 71 years old, became Ambassador in 1984, after the United States established full diplomatic relations with the Holy See.

From 1981 to 1984 Mr. Wilson was the President's personal envoy to the Vatican, an unofficial post that gave him access to classified intelligence information but also allowed him to continue his private business dealings. As envoy, Mr. Wilson exchanged views with Pope John Paul II and other officials on international and humanitarian issues.

## Dealings With Libya

The chief concern among United States intelligence and State Department officials involved Mr. Wilson's dealings with Libya, a country that President Reagan has accused of having a central role in terrorism. The concern began as early as 1982 when American officials discovered Mr. Wilson was meeting with a top Libyan official at a Rome hotel, one of several dealings between Mr. Wilson and

Libyan officials, according to Administration officials.

In addition, sometime before Mr. Wilson became Ambassador, United States intelligence agents intercepted a telex between Mr. Wilson's envoy of office in Rome and Libya concerning oil dealings, according to one official who saw a copy of the telex. It was not clear from the telex who were the principals in the oil deal, the official said. Mr. Wilson, a wealthy rancher and businessman, has long been involved in oil dealings, according to public records.

Around the first of this year Mr. Wilson made an unauthorized trip to Libya to see Col. Muammar el-Qaddafi, the Libyan leader. Shortly afterward Mr. Qaddafi told reporters the meeting concerned economic or commercial matters. Administration officials in Washington were unaware of the trip at the time.

On Jan. 15, after President Reagan prohibited travel to Libya, the Prime Minister of Malta, Karmenu Mifsud Bonnici, relayed information from Mr. Wilson to Libyan officials to try to defuse the situation in the Mediterranean, according to a recent article in The Malta Times newspaper.

Another area of concern about Mr. Wilson among Administration officials involved his dealings with Chile. According to former business associates and public records, Mr. Wilson and his family have been involved in business dealings with the Chilean Government since 1981. At the same time, according to these sources and Administration officials, Mr. Wilson has advocated in private discussions with President Reagan his support for President Augusto Pinochet of Chile.

One Administration official said that Mr. Wilson's efforts to gain more Administration support for General Pino-

chet had produced no discernible effect on American policy. But the same official added that Mr. Wilson's dealings with the Libyans had undercut Administration efforts to isolate Colonel Qaddafi. Secretary of State George P. Shultz rebuked Mr. Wilson for the trip to Libya, but also praised his work at the Vatican.

A White House spokesman did not return a phone call seeking comment about Mr. Wilson.

While Mr. Wilson's conduct upset some Administration officials, Mr. Reagan has always supported him. Their association dates back at least to the 1960's, although Mr. Reagan has rarely spoken publicly of their friendship.

In 1972, when Mr. Reagan as Governor of California appointed Mr. Wilson to the Board of Regents of the University of California, he said he was "a man of outstanding integrity and ability who throughout his career has demonstrated that he is vitally concerned with the problems of our society."

In 1966, when a group of businessmen and advisers took control over Mr. Reagan's finances, Mr. Wilson was made one of the three trustees.

In 1984, The Los Angeles Times disclosed that Mr. Wilson had intervened in two criminal matters, drawing an admonition from the State Department. According to State Department officials Mr. Wilson has received similar warnings from the department on other matters, including his private business dealings.

In addition, some White House aides, including the former White House Counsel, Fred F. Fielding, have expressed their concern to President Reagan over Mr. Wilson's conduct, according to current and former Administration officials.

Mr. Fielding, who left his job in March, declined to comment today on any discussions he might have had with Mr. Reagan.

The Vatican's role in international and humanitarian issues offers diplomats unusual opportunities, since the post entails dealings with a "country" that is really a Church. But the Vatican's power and influence, and that of 800 million Roman Catholics around the world, makes the job at once sensitive and potentially important. The post was created in January of 1984, when President Reagan decided to establish diplomatic relations with the Vatican.